

# HIPAA - Referrals and Authorizations (R&A)

TRICARE Management Activity, Electronic Business Policy & Standards

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OSD(HA), TMA eBPS

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## HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

### Overview

To fully comprehend how the Referral & Authorization transaction will be utilized in the Military Health System (MHS), it is important to understand that MHS is both a health plan and a provider of health care services. For purposes of the MHS, TRICARE is the health plan, and the Military Treatment Facilities (MTFs) are providers. The HIPAA Transactions & Code Sets final rule requires all covered entities to use the X12 278 standard to perform electronic referrals and authorizations.

### TRICARE Health Plan Perspective

The current business process of authorizing requests for referrals is not standard across all TRICARE regions. In general, the Managed Care Support Contractor (MCSC) for a TRICARE region authorizes requests for referrals, whether the request is from a provider in the MCSC network or from a provider at an MTF. The MCSCs receive these referrals in many ways. Some are electronic, some by phone, paper, or fax. In some cases, the MCSCs receive referrals from the MTFs as a file from the Composite Health Care System (CHCS) or by directly accessing CHCS. DoD, through a contract modification, is requiring each MCSC to be capable of accepting the HIPAA standard X12 278 referral request from any provider, including MTF providers, and sending the X12 278 referral response (authorization) back to the provider.

### MHS Provider Perspective

When an MTF provider refers a patient to a specialist or to another provider within the MTF system, or to the civilian system through the MCSC, they use CHCS to capture the referral. The system is not enterprise-wide and does not have the capability to send referrals electronically from one MTF to another, or from an MTF to the MCSC. Referrals are sent in a variety of ways including fax, phone, or hand delivery.

These factors prompted the exploration and development of a web-based Enterprise-Wide Referral and Authorization System (EWRAS).

### R&A Process

When an MTF provider refers a beneficiary to the MCSC network, the provider will use the EWRAS. This system will send the referral to the MCSC in HIPAA-compliant X12 278 format, and receive the authorization in X12 278 format. When the referral is complete or an appointment is scheduled, this information will be included in the EWRAS and will be available for printing by authorized users, to include in the patient's medical information files.



## ***Enterprise-Wide Referral and Authorization System (EWRAS)***

### **Where Are We Now?**

Currently, the HIPAA R&A Workgroup, which includes membership from all the Services and regions, is working toward the completion of the automated EWRAS. Referral patterns are being documented, and development of business rules is nearly complete. A high level Concept of Operations (CONOPS) has been completed. The functional requirements are being developed and are expected to be completed by early 2003.

### **MTF Preparation**

In preparing for the EWRAS, the MTFs referral patterns and business processes are being well documented in order to facilitate the creation of a standard process for routing of referrals to appropriate review authorities. MTFs and Fiscally Responsible Entities (FREs) will need to assess and document the specialties and capabilities provided at their own facilities. Lastly, MTFs will be expected to provide staff with proper equipment enabling Internet connectivity for using the EWRAS.

### **Training/Deployment**

Training on the EWRAS will be conducted using the regional "train the trainer" concept as well as stand-alone, user-friendly exportable training packages. For provider and general staff training, it is anticipated that a brief, self-paced tutorial over the Web coupled with an introductory overview prior to implementation will be conducted. MHS-wide deployment of the EWRAS will commence in July 2003, likely by TRICARE region. The system will be fully functional no later than October 16, 2003.

## **R&A System Advantages**

The development of the EWRAS System which will support the R&A process is important in several ways. Some of the advantages of the system are as follows:

- ✓ HIPAA Compliance
- ✓ Provision of a more uniform benefit
- ✓ Will be the system of record and repository for Non-Availability Statements
- ✓ Increased Access to Care
- ✓ Facilitation of Population Health/MHS Optimization
- ✓ 24/7 Access
- ✓ Results repository
- ✓ Standardization/automation of R&A process
- ✓ Secure, state-of-the-art Common Operating Environment (COE)